



مكتبة العمل

# A battle for the undecided majority

BY PATTI REALI, A NATIVE OF NEW JERSEY

## Reagan, Carter neck and neck

TO MANY outsiders, New Jersey is that place with a motorway lined with fume-spilling oil refineries on the way to New York. In reality, it is closer to its other official name, the garden state, a mainly suburban, ethnic hodge-podge. But it is also, in terms of population, the ninth-largest state in the Union, and thus a prime target for the Presidential candidates as they struggle for the 17 electoral college votes New Jersey offers.

Less than a month before election day, less than half the voters in the state say they know who they want in the White House. New Jersey is known primarily as a Democratic state, with the governorship, both Senate seats and nine of 15 House of Representatives seats plus the state legislature in party hands. It has, however, gone Republican in the last three Presidential elections.

It has never been particularly kind to President Jimmy Carter, who lost Democratic primaries here in 1976 and 1980 and the Presidential election in 1976, getting 47.9 per cent of the vote to President Gerald Ford's 50.1 per cent.

This year, Mr. Ronald Reagan's New Jersey strategy is to lure disaffected Democrats from the ranks of the ethnic and traditional blue-collar vote who became Democrats in the Roosevelt years and who imbibe politics as they take their religion. Mr. Reagan kicked off his campaign proper last month in that bastion of Democratic politics, Hudson County. Shirt sleeves rolled up, the Statue of Liberty and the Manhattan skyline towering behind him, the Republican candidate celebrated the American worker and the immigrant (with the father of the Polish strike leader, Mr. Lech Walesa at his side) by attacking Mr. Carter's record as a litany of despair, broken promises, of sacred trusts abandoned and forgotten.

Mr. Reagan has caused for optimism still. A poll taken on

**PRESIDENT CARTER** and Mr. Ronald Reagan are running neck and neck in seven big states, according to regional surveys published yesterday. David Eucken reports from Washington.

The seven—Texas, Pennsylvania, Illinois, Ohio, New Jersey, Florida and Michigan—provide 159 of the 270 electoral college votes needed for victory on November 4. A further imponderable shown by the Washington Post, is that in each of these extremely close races Mr. John Anderson, the independent candidate, has support that is several times as large as the margin (3 per cent or less) separating the Democratic and Republican contenders.

The number of voters openly undecided ranges from 16 per cent in Texas to 27 per cent in New Jersey. But overall, 22 per cent of voters expressing a preference for one of the three candidates said they were "not at all strongly" behind their choice.

So, by the Post's polls, nearly 40 per cent of the electorate in these seven key states may be open to persuasion in the campaign's final three weeks. This confirms the striking feature of the 1980 election: never have so many Americans left it so late to make up their minds.

The Washington Post yesterday surveyed one other state, New York, which with 41 electoral votes has the second heaviest weighting after California. Its poll there gave Mr. Carter a 36 to 28 per cent lead over Mr. Reagan. But even that is not conclusive, because the survey also showed that no



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October 1 by the Eagleton Institute of Politics at Rutgers University placed him one point ahead of Mr. Carter, 33 to 32. But the survey found that of the most likely voters Mr. Reagan's lead was 36 to 31 per cent. The independent candidate, Mr. John Anderson, got 22 and 21 per cent respectively by both measurements, with the balance undecided.

But Mr. Cliff Zukin, director of the poll, points to "an incredible amount of dissatisfaction with the choice of candidates." He found that, when asked if they were firm in their support for their preferences, fully half the Anderson con-

fewer than 54 per cent of American Jews, who count a lot in New York, are bewildered as to whom to vote for.

Meanwhile, the campaign fray has continued strong over the weekend, with a bevy of Reagan national security advisers accusing Dr. Harold Brown, the Defence Secretary, of "hiding the truth" about U.S. military readiness.

Their charges focused on a Defence Department directive, leaked to the Press last week, which told officers that Dr. Brown had "expressed concern that our current readiness report formats only emphasise the negative aspects of our military readiness." The Reagan camp is accusing the Carter Administration of again trying to conceal from the public and Congress the true state of defence disrepair.

The Republican candidate has also unleashed attacks on President Carter for stifling the U.S. economy with Government rules, calling the President "the biggest regulator in history." It is how, ever, not a very plausible charge.

as elsewhere in the country, may be critical. Only about a tenth of New Jersey's 7.5m inhabitants live in big cities, giving the lie to the state's presumed reputation of being the epitome of downtrodden, industrial wasteland.

Typical of the suburban-urban dichotomy is Mercer County, centrally located across the Delaware River from Philadelphia. "It includes the state capital, Trenton, with a population of just under 100,000; a blue-collar town with many state

government workers, at least half black and Hispanic. It has been traditionally Democratic for years, going for Mr. Hubert Humphrey in 1968 and Mr. Carter in 1976.

But the other 300,000-plus residents of the county live in its northern suburbs, including the affluent university community of Princeton, which also serves as a dormitory for New York City.

Since 1954 the county has sent to Washington as its congressman a leading liberal Democrat, Mr. Frank Thompson. The trouble is that Mr. Thompson has been indicted in the Abscon scandals and has a difficult time ahead, facing the electorate on November 4 and the jury 11 days later.

Such was Mr. Thompson's local reputation, on to mention his high standing in Congress, that nobody has yet tried to exploit his difficulties. Not even his Republican opponent has so far condemned him. But as Mr. Jeff LaRend, the Trenton Democratic Party chairman concedes: "We cannot go out and tell people to vote the Democratic Party line with a ticket headed by 'Frank Thompson'." The local feeling is that Mr. Thompson will be returned on November 4, but his coat tails, dragging Mr. Carter with him, may be much shorter than usual.

Democrats still enjoy a number of advantages in the state. Registered party members outnumber Republicans by two to one. Realising the appeal to the state of the Kennedy name, the Carter strategists have drafted Mr. Jerry Doherty, a close associate of the Senator, to direct their campaign. Moderate Republican suburbanites, seeing Mr. Anderson faltering, may find Mr. Reagan's conservatism too much "too stomach." The key probably lies in voter turnout and Mr. Richard Goffey, the state Democratic Party chairman, is convinced he can provide just that.

## Prepare for next poll, Nkomo tells party

By Michael Holman in Chitungwiza

MR. JOSHUA NKOMO, Zimbabwe's Minister of Home Affairs, and leader of the Patriotic Front (PF), yesterday urged his party to set their sights on the country's next election.

In last February's independence poll, the PF won 20 of the 80 black Parliamentary seats with 57 going to ZANU-PF. The next General Election must be held within five years.

Talking to some 1,200 members of his Zipra guerrilla army who moved over the weekend from two assembly places in North West Zimbabwe to this bleak and dusty township 14 miles from the centre of Salisbury, Mr. Nkomo declared: "As long as democracy reigns, the Patriotic Front will win the next election."

Earlier, he told the cheering guerrillas, who will be expected to check in their arms whenever they leave the fenced compound, that the seven-year war had brought about "the people's rule."

But, he added, they should distinguish between "the people's rule" and "the people's rule has come to stay," said Mr. Nkomo, "but rulers come and go—our constitution says so."

In yesterday's speech, Mr. Nkomo moved deftly around some sensitive issues. He made a point of referring to "the comrades of Zania." Within two months, he said, Moscow-trained Zipra pilots would be flying MIG jets to Zimbabwe, but gave no further details.

## Some of the worst wounds...



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## Gandhi expected to make Cabinet changes soon

BY K. K. SHARMA IN NEW DELHI

INDIA's Prime Minister, Mrs. Indira Gandhi, is expected to make a number of changes in her Cabinet soon, and to take the opportunity to drop some of the Ministers for whose appointment her late son, Sanjay, was responsible.

The Cabinet changes are overdue, partly because at least five major portfolios—including Defence and Industry—have remained unfilled since she took power last January. Now another major post, that of Labour, has fallen vacant with the appointment of the incumbent, Mr. T. Anjiah, as the Chief Minister of the southern state of Andhra, where he replaces a Sanjay supporter.

Policy changes as a result of new appointments to the Cabinet are unlikely, since the framework of the new Five-year Plan has recently been approved

by the National Development Council, the country's supreme economic decision-making body.

Better government is expected as more Ministers are appointed to vacant posts. In addition, Mrs. Gandhi is under pressure to drop other Ministers. There is a widespread feeling that the Home Minister, Mr. Zail Singh, should be changed, following a worsening in the law and order situation, caused by widespread sectarian riots.

Mrs. Gandhi has finally announced that her elder son, Rajiv, will not be entering politics. This presumably means he will continue with his career with Indian Airlines which employs him as a pilot. It also means that Mrs. Gandhi has given up her plans to give him Sanjay's place and therefore will not groom him as her successor.

## Uganda sends reinforcements to border area

By John Worrall in Nairobi

UGANDA'S Government has claimed that two district capitals in the North-west of the country—Arua and Moyo—have been overrun by well-armed troops crossing the border from Zaire and Sudan.

Telephone lines to the area were down this weekend and there was no independent confirmation of the attacks, although it is known that thousands of troops loyal to Idi Amin fled across the border after their defeat. The invaders are said to have occupied the town of Koboko where Amin was born.

Army headquarters in Kampala says reinforcements have been sent and civilian lorries have been commandeered to transport the troops. Uganda's Foreign Minister, Mr. Otema Alimadi, has sent protest notes to Zaire and Sudan.

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## Costs dispute leads to delay in building oil-loading buoy

BY MARTIN DICKSON, ENERGY CORRESPONDENT

A DISPUTE over construction costs is likely to delay by a year the completion of an important piece of equipment—a loading buoy—for the large Anglo-Norwegian Statfjord oil field.

The buoy, to be used to load oil onto tankers from the Statfjord field's B platform, was being built by Aker, the Norwegian shipbuilding group. But the company suspended work on the project in August because of a dispute with the group of oil companies developing Statfjord.

Aker demanded Kr 118m (£10.2m) in addition to the contract sum of Kr 220m (£19m), arguing that the job had turned out more costly than expected because of the welding standards demanded by the Statfjord group. The oil companies refused to pay. Aker

has since decided not to complete the buoy.

Statfjord, the Norwegian state oil company and largest shareholder in the field, said at the weekend that the group had been looking at other yards which might complete the work. The contract would be awarded outside Norway.

The buoy was due for completion next summer but now seems unlikely to be delivered before 1982. However, this need not delay the start of production from the B platform, which is due to come on stream in late 1982.

The Statfjord field, the largest discovered in the North Sea, began production last year from its A platform. The Statfjord group decided earlier this year to build a third platform—C—to exploit the field, with production starting from that field in 1986 or 1987.

## 'Calamitous battles' of journalists' union

FINANCIAL TIMES REPORTER

THE NATIONAL Union of Journalists appeared to have abandoned the rights and interests of individual members "in favour of a series of calamitous battles fought on the wrong issue at the wrong time," Mr. Nicholas Herbert, editorial director of Westminster Press, told the Guild of British Newspaper Editors yesterday.

Mr. Herbert, who was elected president of the guild at its annual meeting in Stratford-upon-Avon, said that he found it difficult to be particularly optimistic on the union front.

"The industry could do with a strong, sensible journalists' trade union which would bargain hard, embrace new technology on appropriate terms and respect the need for its members to be non-

conformist and independent. But the NUJ had a "narrow, political, ineffective, leadership" which allowed various pressure groups, speaking in its name, to act unreasonably. Mr. Herbert said that attempts to impose upon journalists "the totalitarian concept of the closed shop" would require the continued and implacable opposition of editors. "Here the Government's new law and draft code of conduct may be helpful but we should recognise that the determination of employers to support the rights of individual journalists is the best safeguard."

Mr. Herbert also said the newspaper industry is "appallingly complacent" about the declining quality of service it gives its customers.

## Catering 'crusade' envisages 1m jobs

Financial Times Reporter

THE BRITISH catering industry could employ 1m more people, and so halve unemployment, says M. Jean Conill, the chef.

M. Conill, gold medalist and author of 18 gastronomy books, calls in a letter to Mrs. Margaret Thatcher, the Prime Minister, for:

- a return to tax relief on business entertainment;
- a tax allowance or free meals for workers;
- luncheon vouchers worth at least £1.50; and
- a better deal for the catering trade.

M. Conill pleads for a revitalised hotel and catering industry to boost the tourist trade and create "perhaps a million new jobs," and says he is trying to launch "a crusade to attract the school-leaving teenagers who may not be aware of the glamour and charisma which surrounds the position of chef or Cordon Bleu cook."

The industry had "an awful reputation" which the Government must help to improve. There was no proper scale of payment for chefs, cooks and other skilled workers. Wages, which ranged from £80 to £100 a week, were far too low.

Sector leader GKN, also Britain's biggest private steel maker, is shifting its gaze abroad. Hazel Duffy spells out the reasons.

## Engineering an escape route

IF THERE ever were any doubts about the severity of this recession, they were dispelled when GKN announced interim profits which were less than half those of a year before.

The fact that the UK's largest engineering group made no profit on its home market operations came as a major shock. And the City feared that the dividend cut would be a signal which smaller companies would follow.

The first half of 1980 will be followed by an even worse second half, particularly after the company has charged for redundancy and closure costs. But Mr. Trevor Holdsworth, GKN chairman, is not one of the angry industrialists who are calling on the Government for special consideration.

GKN is a major contributor to Conservative Party funds—last year more than £30,000 went to the party and allied organisations—and Mr. Holdsworth continues to believe that the Government needs three years to make its strategy work.

He agrees, however, that the effects of the recession are uneven, and expects that "some worthwhile companies, which are not in high technology, will go to the wall." He also argues that the Government should allow interest rates to come down—GKN's short-term borrowings totalled £168.5m at the end of 1979, and will be

Profits to Dec. 31 1979	£101.4m
Half year to June 30 1980	
1980	£22.4m
Sales 1979	£1,961bn
Sales half year	£1,067bn
Exports 1979	£282.8m
Employees	104,324
of which in UK	69,115
Capital employed 1979	£1,650bn

higher by the end of this year.

Each one per cent drop in interest rates cuts about £1m off the group's interest payments.

GKN has for some years been concentrating on growth areas, and its policy is to withdraw from or at least run down those activities where it is increasingly difficult to make a reasonable return.

At the same time, the group is committed to expansion overseas, particularly in motor components.

The value of the policy was demonstrated in the first half of this year, when almost all its £22.4m pre-tax profit came from overseas operations.

Mr. Holdsworth says the recession has not deflected GKN from this course. The company has speeded up the closure and slimming down of certain British operations and all major investment plans were reviewed. UK investment projects—currently running at £60m to £70m annually—will all survive but some slowing down seems likely.

Overseas, investment will go ahead as planned. A second U.S. plant to make constant velocity joints (a vital component for front-wheel drive cars) is going ahead and a new factory is planned in France.

The successful outcome of GKN's development work on the constant velocity joint during the 1970s has underlined the importance of spending on research and development.

All development work which is sanctioned centrally will therefore go ahead, but again there is the possibility that some cuts will be made on a divisional basis.

Mr. Holdsworth predicts that industry will continue to reduce stocks until the second quarter of next year, but by then the worst may be over.

"I think we are in the eye of the hurricane now, and that by the middle of next year we shall be on an improving trend," he says.

The difference between this and earlier concessions, however, is that the recovery for many customer companies will not be all that they had hoped. GKN, for instance, has become used to living with an ailing British motor industry.

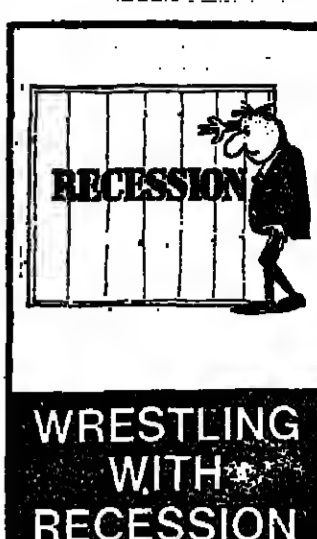
But this recession has also brought a slump in demand for components from, for example, the tractor manufacturers. The company is worried that the multinationals which

dominate this industry in the UK will shift their manufacture to countries where costs are lower.

Poor productivity, in Mr. Holdsworth's view, is much more the key to the problems of British manufacturing industry problems than the high exchange rate (although he acknowledges this is less so for continuous process industries). He believes that industry has to learn to live with exchange rate movements—both up and down—"although I can point to many examples of where business would have been better in the short term if the pound had been lower."

GKN expects to have shed 10,000 of its UK workforce by the end of the year, as part of the rationalisation of its operations. This has been going on for several years, but its pace has quickened since the recession's onset. GKN is the biggest steel producer in the private sector, and discussions are being held with the British Steel Corporation on the possibility of joint ventures in certain products which might lead to further slimming down.

Mr. Holdsworth agrees that the recession has, in some ways, presented industry with "an opportunity to do something about its lack of productivity." He believes that the current problems of manufacturing



industry were inevitable given that the country has been paying out more than it has been earning.

But recession on the present scale is far from the best weapon for dealing with fundamental weaknesses. GKN has made skilled workers redundant, in spite of the fact that it will probably need them when demand picks up. At the same time, apprentice intake is probably being cut back (although Mr. Holdsworth adds that this is not a central directive to all divisions).

"Industry is therefore running a very great risk that skilled people will not be available in the right numbers after the recession," he says.

GKN is large enough to weather this recession, and even to derive some benefit from it. Its huge redundancy programme, however, will leave a gap in parts of the West Midlands which will take long to fill.

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## Protest to Brussels over enforced participation

AN Institute of Directors delegation from Britain will meet with Mr. Goldsmith, Commissioner, at EEC headquarters in Brussels today to discuss two EEC directives which the IOD strongly opposes.

The two are the Fifth Directive, which recommends compulsory structures for worker participation in larger UK companies, and the Vredeling Draft Directive, which proposes wider disclosure of information to, and consultation with, workers by multinational companies and national companies with as few as 100 employees.

"The IOD delegation will comprise Mr. Walter Goldsmith, the Institute's director-general, Mr. John Jackson, director of Philips Industries and a member of the IOD company affairs committee, and Mr. Andrew Hutchinson, IOD principal re-

search executive. Mr. Goldsmith commented: "It is important that the commissioner understands the great concern, and what we believe is strong and growing opposition to the implementation of the EEC Fifth Directive in the UK."

"Our members are making great voluntary efforts to improve communication, consultation and participation with their work forces. But they are totally opposed to the imposition of works councils or any other formalised structures within their companies."

Mr. Goldsmith said: "We also intend to express our concern about the Vredeling proposals. As on the Fifth Directive, voluntary initiatives by companies on disclosure of information to employees is infinitely preferable to enforced legislation."

## Aerospace trade surplus cut by higher jet imports

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK aerospace industry earned a surplus of £27.8m on its balance of payments during the first seven months of this year. Exports totalled £376.7m and imports just under £949m.

Although the industry's export performance continued at record levels for the first seven months, it was substantially offset by continued high imports of transport aircraft from the U.S. to meet the needs of UK airlines. This is a trend likely to continue.

During the period, there were further imports of McDonnell Douglas DC-10 and Boeing 747 jet airliners to meet the needs of British Cal-

donian, Laker and British Airways respectively. There were also further imports of short-haul Boeing 737 jets for airlines such as Britannia, Air Europe and Orion.

Total imports of complete aircraft amounted to more than £391m, while exports of complete aircraft from the UK (including BAe 748 turbo-jets and BAe 125 executive jets) amounted to about £113.6m.

The engine side of the aerospace industry showed a much brighter picture. Total exports of aero-engine and parts, and of refurbished engines amounted to more than £415m.

Imports amounted to nearly £303m.

## Policyholders' Protection Act opposed by insurers

BY ERIC SHORT

THE British Insurance Association is still opposed in principle to the Policyholders' Protection Act, 1975, and can see no justification for extending or broadening its scope.

If an insurance company runs into financial trouble so that it cannot meet in full its liabilities, then individual policyholders, under this Act, have their insurance contracts protected for at least 90 per cent of the contractual benefits. The cost of such rescue operations is borne by a levy on other insurance companies.

The implementation of the Act is under the control of the Policyholders' Protection Board. Since 1975 the board has operated a rescue scheme for the policyholders in the life company, Capital Annuities, and

has underwritten the rescue scheme for another life company, Fidelity Life.

It could soon become involved with Underwriters National Assurance Company, against which a compulsory winding-up order has been served.

The Act requires a report of its workings for the first five years and the Department of Trade has invited comments from interested organisations.

The BIA, in its evidence, considers that the Act in principle weakens the responsibility of policyholders from selecting due care in choosing an insurance company, weakens the responsibility of insurance companies from prudent underwriting and weakens the DoT in performing its supervisory role.



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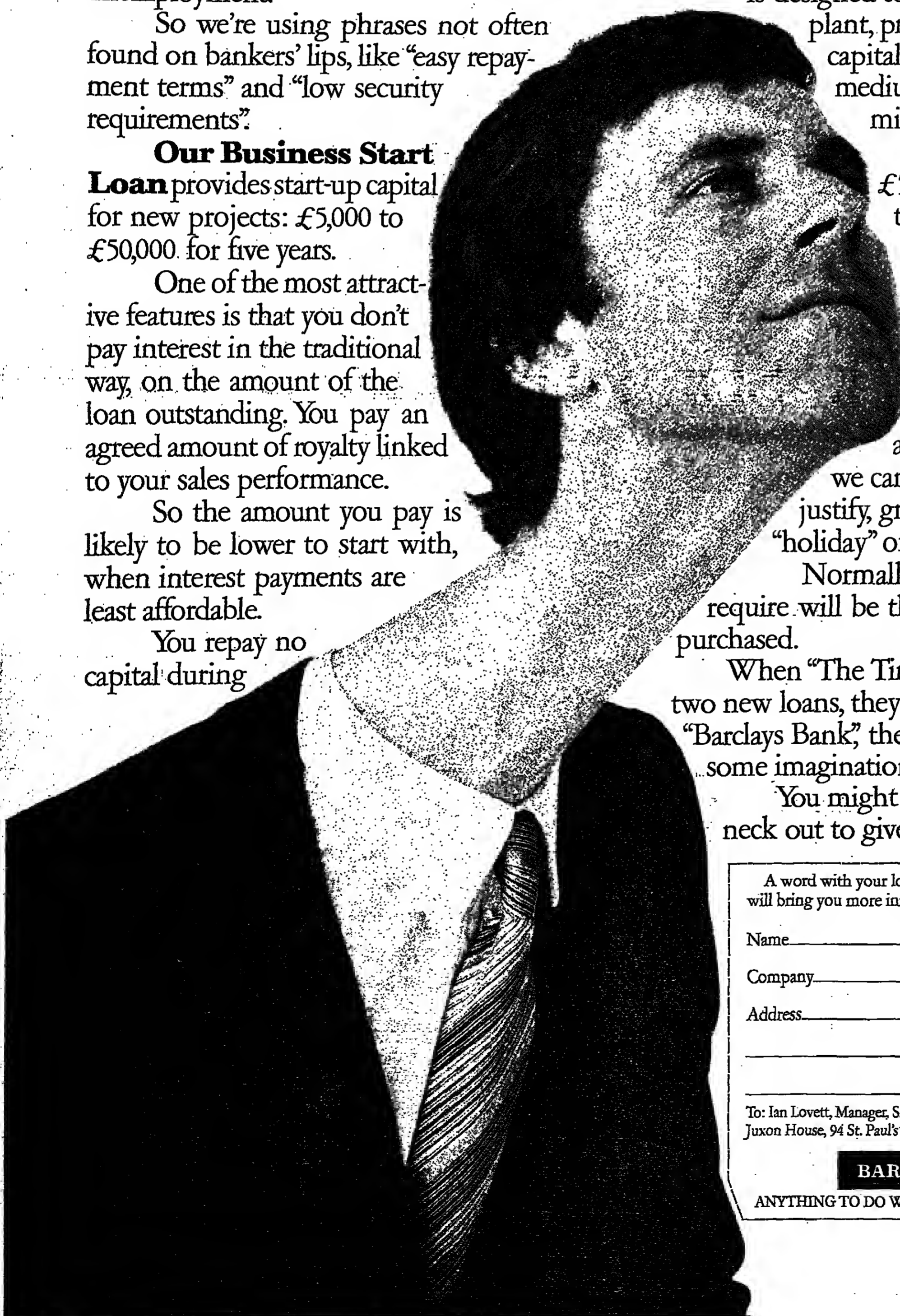
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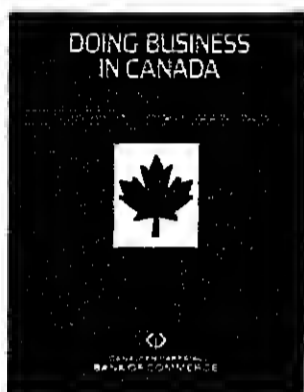
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## UK NEWS - LABOUR

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- 3 Can application to open a company or form agencies be made on a federal level, or do these have to be applied on a province by province basis?
- 4 What are Canada's tax laws, and how do they apply to international companies?
- 5 What government grants are available to help set up companies such as in slow growth areas? Are such grants available to international companies?
- 6 What is the effect of Canadian customs, laws and practices?
- 7 What is the procedure for applying for import licences, registration etc?
- 8 What existing Canadian labour legislation should I know about?
- 9 Are there any professional organisations, or chambers of commerce which can help supply information?
- 10 Can a large international bank like the Bank of Commerce offer local expertise and financial resources to help me in setting up my business?

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## Shipbuilding, engineering unions may be offered 8%

By JOHN LLOYD, LABOUR CORRESPONDENT

AN IMPROVED pay offer of about 8 per cent is likely to be made to the Confederation of Shipbuilding and Engineering Unions by the country's engineering employers today.

The feeling among engineering union leaders yesterday was that this offer, while less than half of the unions' claim of 18.5 per cent, would be accepted by the CSEU as a basis for recommendation to the various unions in the confederation.

Last month, the Engineering Employers' Federation offered 6.2 per cent, which indicated could be improved only marginally. That was rejected by the CSEU.

However, Mr. Terry Duffy, president of the largest union in the confederation, the L2m-strong engineering section of the Amalgamated Union of Engineering Workers, had said then that the unions "were not in an aggressive mood."

It was apparent over the weekend that this mood had not changed, and that the unions had recognised at least part of the employers' case that many companies could not afford even a single-figure pay rise.

Last year, the employers' federation conceded a 20 per cent pay rise to the 2m engineering workers, after a ten-week strike. At last month's

meeting it told the unions that demand for the industry's products had fallen "significantly."

One union leader said yesterday that today's negotiations would mark "the end of the road" on this round of talks, and that the unions would have to make up their minds on the basis of today's offer.

The national minimum pay for a skilled worker in the engineering industry is £73, while that for an unskilled worker is £52.50. Average rates, which include the effects of local agreements and overtime, are £98.50 for skilled workers and £72.80 for unskilled workers.

## BSC says no new steel cut planned

By Our Labour Correspondent

BRITISH STEEL Corporation has no plan for further closures and redundancies, Mr. Ian MacGregor, BSC chairman, has told Mr. Bill Sirs, leader of the Iron and Steel Trades Confederation, the industry's largest union.

The meeting, on Friday night, followed reports that Mr. MacGregor would shortly present the Government with a new corporate plan containing the option to cut capacity from 15m tonnes to 12m tonnes, with the loss of 25,000 jobs on top of the 52,000 jobs which BSC is losing this year.

Mr. Sirs said yesterday: "Mr. MacGregor stressed that he still had a completely open mind as to the future shape of BSC, and will ask the Government for more time to consider other plans, including those submitted by the ISTC."

"He reassured me that the unions would be fully consulted before any report or plan was submitted to Sir Keith Joseph (the Industry Secretary)."

Union officials believe that further share cuts in capacity and the workforce are options being discussed by senior management in BSC and that these are now being pressed on Mr. MacGregor.

The chairman has told the unions that he is spending much of his time trying to drum up extra orders for BSC from U.S. and European companies and that the future capacity of the corporation will to a large extent depend on his success.

However, it is believed that the "worst case" options considered by senior management include a reduction of capacity to as low as 8m liquid tonnes a year, because of continuing slump in demand.

## Boilermen at Vickers back today

By Our Labour Staff

BOILERMAKERS at Vickers Shipbuilders in Barrow, part of British Shipbuilders, return to work today after a 12-week strike.

A mass meeting on Saturday of the 1,200 boilermakers, whose dispute centred on a demand for special payments to be made to all, voted overwhelmingly for a return to work following the agreement of a peace formula between the Boilermakers Society and British Shipbuilders last week.

Talks are to begin immediately on a revised productivity scheme.

### Teacher training

TEACHERS ARE paying a total of £50m a year out of their own pockets for job training, according to the country's second largest teaching union, the National Association of Teachers/Union of Women Teachers.

A union policy document has charged local education authorities with providing an inadequate system of in-service training, and has called on the Government to allocate training grants to the authorities.

### Rescue call

A MASS meeting of workers from the Tyne Dock Engineering ship repair yard called on the Confederation of Shipbuilding and Engineering Unions to "seriously reconsider" its opposition to a rescue plan for the yard, at a meeting held over the weekend.

## TASS delegates back merger move rejection

By Our Labour Correspondent

THE ENGINEERING white collar union, AUEW TASS, has confirmed its opposition to a merger of the three craft sections of the Amalgamated Union of Engineering Workers at a special delegates conference at the weekend.

TASS's objections to the proposed merger of the three craft sections—the engineering, foundry and construction unions—was upheld last month by the Certification Officer, the official overseeing union mergers and amalgamations.

TASS argued that a partial merger would discriminate against its interests, chiefly because the status of the national conference would be changed.

It believed the conference would cease to be a policy-making body because the other three unions would mandate their delegates on how to vote before the conference.

The amalgamation was stopped just as the construction section was about to ballot its members on the amalgamation.

Mr. John Baldwin, the general secretary of the construction section, has threatened to sue the Certification Officer over the decision.

Mr. Ken Gill, the general secretary of TASS, said yesterday that the union still wished the amalgamation to go ahead, but not with rules which would discriminate against its members' interests.

The delegates' conference also voted for a change in regulations which will allow the executive to suspend, with or without pay, those full-time officials shown to have not been carrying out their duties.

The enforcing of the decision will now be negotiated by the union's executive and the officials.

## Union plea over Conoco rebuff

By Our Labour Correspondent

THE ASSOCIATION of Scientific, Technical and Managerial Staffs is to appeal to the Organisation for Economic Co-operation and Development, over the non-recognition of the union by Conoco, the U.S.-based oil company.

In a ballot conducted by the Advisory Conciliation and Arbitration Service in April, a majority of Conoco's 300 white collar staff voted for recognition of ASTMS. The union says that the company has since refused to recognise it.

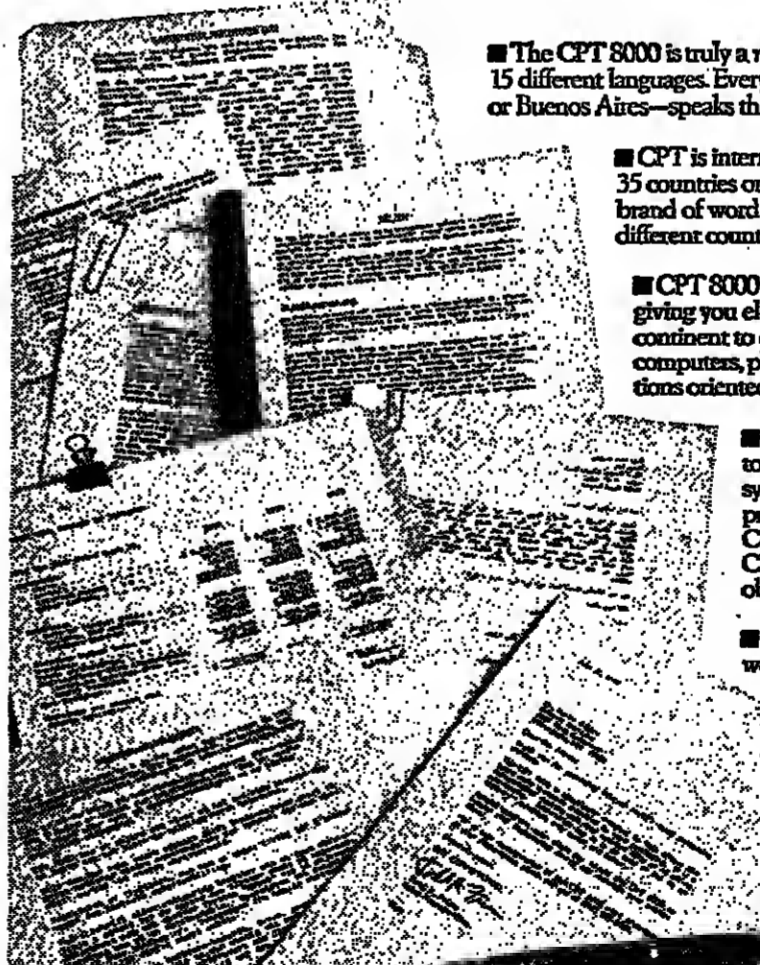
Mr. Roger Lyons, a national officer of the union, said yesterday that the union had now exhausted the appeals procedure under the new Employment Act, and would thus refer the issue to the TUC today for further reference to the OECD.

The OECD lays down guidelines for multinational companies. Among these is an injunction calling on multinationals to follow the same procedures on union recognition as other companies in the industry. Mr. Lyons said that this would be the first such reference since the new Act came into force.

At the same time, the Central Arbitration Committee has asked Conoco to improve its annual holiday entitlements to its white collar staff.

At present this is 20 days, with the provision for one extra day for every five years of service. The committee has told the company to grant an extra day's holiday for every year of service. Mr. Lyons said this would influence negotiations on pay and conditions now going on with other oil companies.

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## THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

# Injecting a new motivation into local authorities

Robin Panley and a local council official argue for greater efficiency and professionalism

NEVER HAS British local government been under such intense pressure from all sides. In Westminster, Michael Heseltine's Department of the Environment thinks that local councils are overstuffed and spend irresponsibly; the Treasury considers them branches of central government which must therefore do exactly as they are told; ratepayers protest ever more vociferously about mounting rate bills. In this atmosphere of allegations of profligacy, inefficiency and medieval management grow and feed in the community.

Since the reorganisation of local government by the Heath government in 1974, local government has mushroomed into very big business indeed. Its annual spending

is \$22bn a year—nearly a quarter of all Britain's public spending—so that its actions directly affect the government's public expenditure targets, the public sector borrowing requirement, and the whole success of failure of Mrs. Thatcher's overall economic strategy.

The most noticeable result of the Heath reforms was the creation of an extra layer of highly-paid officers at the bureaucratic end of town halls—bearing extravagant job titles and descriptions—and a more general increase in manpower and salary levels. On the other side of the account, there has been no significant proven gain in efficiency. Nor is local government able to respond to all the criticism and allegations

with adequate chapter and verse about its achievements, though in fairness to local government it must also be said that central government is in no better a position to defend either its efficiency or its ability to contain its own spending.

It may be that nearly every penny is being spent wisely, that virtually every one of the 2,075m people employed by councils is of crucial importance, and that most services are being provided at the best, most economic and efficient level possible. But it is unlikely, and serious doubts exist at all levels of society. The councils have simply not been able to prove their case.

The management of local authority functions and affairs is a joint process between

elected members and their appointed officers, who constitute the Executive. The officers and their staffs advise the members on the administrative frameworks within which the desired political decisions can be implemented.

The activity of Council officers has traditionally proceeded very much in the shadow of their elected masters. Now, as many themselves recognise, the pressure is on for them to demonstrate the effectiveness of their administrative apparatus. But in the absence of the profit motive, what can motivate this special breed of public servant to be efficient (or otherwise)? In the article below, one of their number gives his reply.

R.P.



Inflated dinosaurs take it on the nose from Michael Heseltine. Will his efforts to trim the Town Hall dinosaurs give him as much to smile about? And can council officers be motivated to improve their performance? The answer from Stockport (right) is definitely in the affirmative.



"THE MOST important function of local government is to deliver services to the community at large. The scale and quality of those services depends as much on the political judgment of the local council as it does on the availability of resources. Council services are labour intensive and likely to remain so. Their outputs are notoriously difficult to quantify. A common factor, however, is the pursuit of value for money, that is, effective service delivery which meets needs in as efficient a manner as possible. The continuing struggle to measure 'value' and 'needs' objectively is a microcosm of the political debate about the level of council services. It is also the prime reason why comparisons with business and industry need to be undertaken with great care."

Such statements may be seen as an apology for local government's inability to compete, especially by businessmen who still subscribe to the naked capitalist philosophy that "The profit motive is the basic driving force of all commercial activity" and that "The company balance sheet is the barometer by which progress is measured."

Many modern businessmen and industrialists would certainly wish to qualify the over-

riding principle of the profit motive by pointing to the increasing social responsibility of their companies, the contribution they make to the national economy, the local community, their patronage of the arts or sport, their enlightened welfare policies and so on. But the same people might argue that all these eminently worthwhile aims can only be achieved through profitability, and that they would all be abandoned in turn if they were seen to impair performance in the market.

## Incentives

By contrast, an organisation such as local government is, by its nature, rarely able to apply the profit motive. Local government in general has a terrible public image and is usually compared unfavourably with the real world of industry and commerce. Local government is seen as bureaucratic, wasteful, and inefficient. "If only those people at the Town Hall had to run at a profit they'd soon know what life is all about."

Most generalisations are facile and superficial and it is patently not the case that all companies are efficient nor that all local authorities are the reverse. The real question is what motivates the efficient local authorities? In the absence of a profit motive,

what other incentives keep them ticking?

The traditional response might be "a sense of public service" but this is hardly adequate. People enter local government for all sorts of reasons but very few are "called" to it in a vocational sense. For the manager there is a wide range of opportunity in local government and, although conditions of service are generally good (though not as good as some other public organisations), it is the nature of the work itself which must attract entrants. These entrants are, at managerial levels, generally well qualified and professionally trained. It is the professional base which is the great strength of local government.

Professionalism in local government means that a high degree of motivation is built into the young aspiring manager. He or she sees the job as important for its own sake whether he or she is an architect, an engineer, a solicitor, an accountant, a town planner or whatever.

As a professional he or she will expect more senior colleagues to set high standards and for these to be backed up by the practices of each professional institute.

In recent years considerable emphasis has been placed on

the need to develop the general managerial skills of the senior professionals in local government. One of the key tasks of the new style chief executive has been for them to rise above departmentalism and to develop a corporate management strategy. The most successful local authorities (as opposed to successful departments within an authority) will be those where the high skills of qualified professionals are harnessed in a corporate manner to the benefit of the organisation as a whole.

How is such success to be measured without a profitability indicator and are there any realistic methods of measuring success in a non-profit making organisation? Output measurement in fields such as education and social services has been markedly unreliable and inappropriate.

To have any hope of answering such questions one must presuppose that clear objectives have been set. Local authorities are not especially good in this respect largely because their time perspective is very short. Three to five year planning does take place, but not everywhere and rarely with any real success. The reasons are not hard to determine and may be summed up in a word—politics.

Most managers in local government are not highly motivated by political philosophy although to be successful they do need keen political awareness. It is a mistake to assume that the whole system of government and its organisation at local level is overturned every time there is a change of political control. The vast majority of procedures and policies are unchanged regardless of the government or the council. On certain sensitive battlegrounds, the political will does exert itself, but these are well known and can be prepared for.

## Expediency

However, the most important area for political decision-making is in the acquisition and distribution of resources. The national government determines the framework within which a local council must operate through the rate support grant; the local council then determines what call to make on the ratepayers. In both cases decisions are basically political and it is the outcome of these decisions which have most effect on policy, forward planning and management.

The setting of the rate is the paramount decision made in

local government. This decision cannot be seen as a major motivating force for managers. A Chief Officer can only advise his elected members about levels of service, and expansion will not take place unless those members so decide. Conversely a political leader with a narrow majority to defend may be more interested in curtailing growth and any officer-based aspirations will be set aside. When the government calls for public expenditure cuts, both officers and members are expected to respond, and motivation is subsumed by expediency.

Local government managers (and in this context both elected members and officers may be so defined) face many of the same problems as their counterparts in industry and commerce. They deal with trade unions, have strikes and go-slows, float loans, suffer from cash flow problems, make investments, build new plant, demolish old stock, buy, sell, sue and are sued, and at the same time the vast majority of their activities are subject to detailed scrutiny by the public. Those managers who do well in local government would do well in most organisations, including those motivated largely by profitability.

If the reason for their success is not a sense of voca-

tion, nor political motivation, nor a drive to make profits, nor personal remuneration, the answer can only lie in a concept of professionalism. "Professionalism" in its widest sense can be applied to any person, with or without formal qualifications, but with particular skills which be applied to the best of his ability measured against accepted criteria of high standards.

The converse is the "amateur." Many organisations have made use of the "gifted amateur" in the past, and no doubt some still do. But his days are numbered. Survival in business and in local government demands a professional approach and the public has a right to expect it from both its elected representatives and its paid officials. Most professional organisations stress this need to their members through codes of practice and conduct.

If successful managers can run efficient local government organisations without a profit motive, one wonders if profitability is quite the dominant force in business it is sometimes suggested. Could it be that an incentive-based environment founded on material rewards is less of a stimulus to high performance than the inculcation of professional attitudes through the setting and achieving of high standards? Is one of the main

lessons to be learned from the "hierarchy of needs" propounded by Maslow, the behavioural scientist, that, given the satisfaction of basic needs, people will achieve their full potential only if their attitudes to work are conditioned by keen awareness of their own professionalism, which in turn will generate high performance?

If management is a discipline which can be studied and learned, then providing basic professional standards have been set, its skills must be transferable between organisations. Could this be an area where professional institutes could make a more telling contribution in the future education and training of managers? Should local government itself be devoting more effort to preliminary/induction training for newly appointed Councilors?

What does seem certain is that, in the worlds of both business and government, no amount of training in techniques will compensate for a "couldn't care less" attitude. A manager who does not care about his own performance deserves to be condemned by the worst of epithets; he is simply unprofessional.

Neil Fitton

N. J. Fitton is Assistant to the Chief Executive of the Metropolitan Borough of Stockport.

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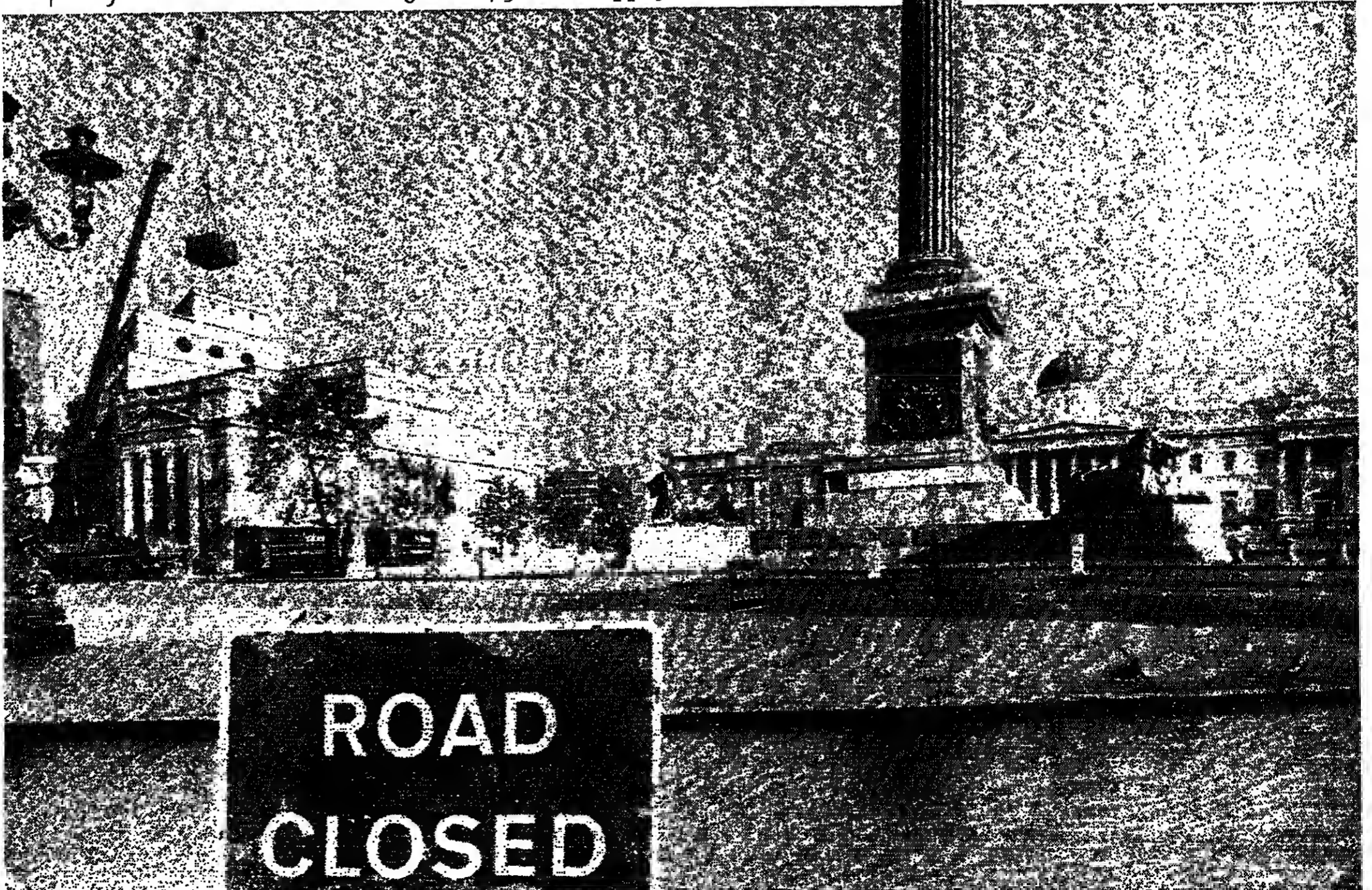
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## EUROPEAN MOTOR INDUSTRY II



## Optimists see first signs of recovery

**United Kingdom**

A DETERMINED optimist might insist that this year has seen clear signs of a revival in the UK motor industry.

BL has launched its Metro on time and from a plant in which the very latest technology has been incorporated and where more flexible working arrangements are in evidence.

Ford's introduction of the new Escort reminded us that the group is still heavily committed to using Britain as an assembly base. Some £207m has already been spent at the Halewood plant where British Escorts are made and a further £137m will be paid out by 1985.

Compared with what might have happened at a plant with a reputation for volatile labour relations, Ford got the Escort into production at Halewood with relatively little trouble. Problems with the new equipment probably accounted for more lost output than the dispute which blew up but was solved fairly quickly.

Rolls-Royce Motors has not spent much more than pocket money in Ford terms—£50m over five years—but its new car, the Silver Spirit, a replacement for the Shadow, is just as important to Britain's prestige car maker's future as the Escort is to Ford. Before long a steady stream of De

Lorean sports cars should be coming off the assembly lines in the Northern Ireland plant which has received so much UK government financial aid.

There is good news also about Britain's trade balance in motor products. It swung back into surplus during the second quarter of 1980 after 15 months of deficit. The surplus was £72m against a £128m deficit for the first quarter and one of £287m for 1979 as a whole—the first year that the UK motors account dipped into the red.

The positive trend seems to have continued in the third quarter. The major influence on the trade front has been Ford's decision to keep its UK car assembly plants working more or less normally in spite of the recession and to supply British demand from Britain. As a result it has cut back imports of built-up cars from its other European plants by up to half.

## Major importer

In this context it has to be remembered that Ford was not only new car market leader in Britain last year; it was also the major importer. Ford's imports represented 13.8 per cent of the total market compared with the 5.97 per cent achieved by Datsun of Japan, the leading "traditional" importer.

Of the 485,559 new Fords registered in 1979 about 48.1 per cent were assembled out-

side the UK compared with 35.2 per cent of the 392,366 sold the previous year. Ford fell marginally short of its target of capturing 30 per cent of the 1979 market—it ended with a 28.29 per cent share. The group's target for 1980 is 32 per cent.

To continue with the positive news, the UK industry, represented by the Society of Motor Manufacturers and Traders (SMMT), managed to squeeze further voluntary restraint from the Japanese manufacturers. The letter said they would continue to take a "prudent" view of the British car market—which was translated by the UK delegation as meaning that the Japanese this year would hold their market share to the 11 per cent level it reached in 1979.

The Japanese are going to extreme lengths to make sure they at least come close to this objective. One result will be that Datsun will probably lose its place at the top of the "traditional" importers league table to Renault of France.

On the debit side, however, we have the sad spectacle of a major shake-out of jobs in the industry. Much of it has to do with previous over-manning and the need for a big increase in labour productivity if the UK is to reach the best European standards.

But some of the job losses reflect the gradual decline of car manufacturing in Britain.

BL, of course, accounted for

the major slice of the job losses. Some 30,000 have gone in the past three years—20,000 of them since last September. Ford, Talbot and Vauxhall have also called for voluntary redundancies or early retirements and short-time working is widespread this autumn.

The decision by Peugeot of France to restructure its operations by combining some aspects of the Talbot and Peugeot car businesses also carries the prospect of further redundancies before long in the UK.

Talbot UK no longer looks in a position to break even in 1980, as was hoped, after half-year losses of £19.56m compared with £17.43m for the first six months of 1979 and a record £41.14m for the full 12 months. Vauxhall too reported record losses for 1979—£31m compared with a profit of £2m the previous year.

BL's half-year deficit overshadowed these results. The pre-tax loss was £155m compared with a £20m profit at the corresponding stage in 1979.

Last year Ford's taxable profit reached a record £386m but it is unlikely to come anywhere near that in 1980.

In fact, 1979 was a very good year for car sales in the UK for those manufacturers which like Ford, could meet it. New car registrations reached a record 1.71m, some 3 per cent up on the previous peak of 1.66m in 1973 and nearly 8 per cent ahead of the 1978 total.

However, imports flooded in to meet the demand and took 56.28

per cent of total sales against 49.32 per cent the previous year. The forecast from the SMMT is that 1980 will see registrations down 11.7 per cent to around 1.51m.

While car sales soared last year, car production in Britain fell again, from 1.223m in 1978 to 1.07m. The Economist Intelligence Unit estimates that output will drop below the 1m mark in 1980, to around 950,000, before climbing back to 1m in 1981 and 1982.

## Confident

The future of car production in the UK depends mainly on BL's volume car business. Sir Michael Edwards, BL's chairman, still seems confident that he is achieving what he set out to achieve even though the finer points of detail might differ from original plans.

He and his team are slimming down the company faster than first envisaged, for example.

But the model development programme has been speeded up. And despite the very great difficulties which result from its position as a major manufacturing business and exporter in Britain today when high interest rates and an overvalued currency are causing widespread despondency, even despair, BL has not cut back essential capital expenditure on new plant and equipment, the model programme and research and development.

Even before the Metro was

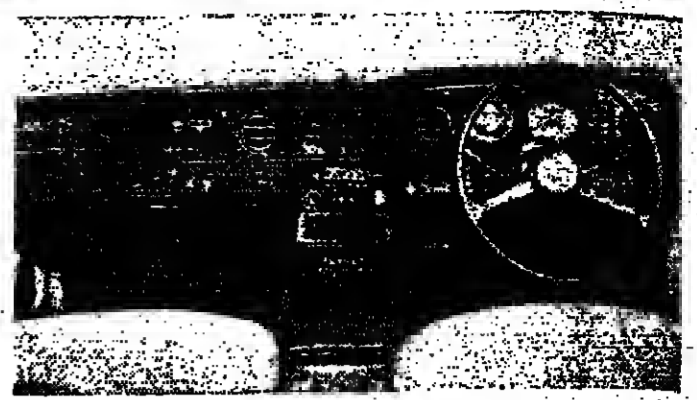
fully launched the BL Board decided to give approval to the LC10 project—a "family" of mid-sized, mid-priced cars. The first, the LC10, a five-door hatchback, is due at the end of 1982. The second, code named AM2 (for Austin Morris 2) has a conventional three-box design with a boot at the back in order to appeal to the company's fleet buyers who are so important in the UK car market. AM2 is due for a 1983 launch.

BL is currently putting together its annual corporate plan for presentation to the Government and this will include a request for more State funds over and above the £130m already promised for 1981-83. Sir Michael's view is that, while Government money should not be used to cover losses, it is reasonable to ask for cash for the model development programme.

The group will only survive as a volume car producer—albeit a "volume producer of specialist cars"—to use Sir Michael's description—if it can rebuild its share of the total EEC market.

That will not be achieved without cars suitable for and attractive to the Continental markets. If the Metro range, the Bounty (made jointly with Honda of Japan) and the LC10 "family" do what BL expects of them throughout Europe, the car division could have back in the black by the mid-1980s.

Kenneth Gooding



Uncompromising quality in the Silver Spirit. Rolls-Royce Motors spent £50m on its development. Below: The Volkswagen Golf—here fitted with a 1500 cc diesel engine—is Europe's best-selling car with a market share of 4.6 per cent



## Big drop in new registrations



W. Germany

AFTER FIVE boom years, the West German motor industry had expected demand to weaken in 1980, but few car makers had predicted that the fall would be so steep. New car registrations in the domestic market dropped by 10.4 per cent in the first eight months of the year, and although exports provided some solace for German car manufacturers in the early months of 1980, foreign sales have since declined too and have been far from enough to support the high production levels of recent years.

The mounting problems confronting German car manufacturers have also been exacerbated by the surge of imports from Japan. Despite the fall in the size of the overall market, Japanese car producers have nearly doubled their share of German car sales in the last 12 months and their success is deeply troubling domestic car makers.

After five years of unparalleled success, several German car companies have had to resort to short-time working and in the case at least of Ford and Opel, the West German subsidiary of General Motors of the U.S., jobs have been cut as the only means of coping with the fall in sales.

The one bright spot has been the production of commercial vehicles which so far this year has shown little sign of being overcome by the slowing of the domestic economy and the recession abroad.

Even in the domestic market, registrations of new commercial vehicles have increased marginally by 1 per cent, largely as a result of the continued high level of capital spending by West German manufacturing industry.

The car makers too are maintaining their ambitious capital expenditure programmes despite the recession in world car markets, and the West German automobile industry expects capital expenditure to jump this year to a record DM 9.6bn compared with DM 7.4bn in 1979 and DM 5.7bn in 1978. Expenditure this year will be about a third higher than the investment planned by Japanese manufacturers, and the German industry is clear that it must make a major effort to close the competitive gap in the 1980s.

As the Japanese began to mount their assault on the German car market, the first to feel the pinch were other importers, chiefly the French and the Italians. But the penetration of Japanese makes into the German market has now gone far deeper and the Japanese have succeeded in recent weeks in replacing the French as the leading car importer.

In August, traditionally a month of low sales, the Japanese captured as much as 15 per cent of the German market, and for the whole of the year they are expected to take more than 10 per cent.

Most ominously, apart from Mercedes-Benz, which is protected by the length of its order books, the Japanese have been the only manufacturers to boost their sales in West Germany this year against the trend of a shrinking market.

All seven Japanese car manufacturers represented in the German market have recorded clear gains and Toyota alone is

now taking 2.4 per cent of all German car sales.

Domestic German car manufacturers have so far been cautious in calling for any sort of Government assistance to help them tide over Japanese imports, but there are signs that this could be changing. As late as the early months of this year German car makers were proclaiming their confidence that they could meet the challenge of Japanese imports because of their technological lead, but recent events have undermined that stance.

A number of motor industry leaders have called on the Japanese to exercise "self-restraint" in their car exports to Germany, and Herr Toni Schmucker, chief executive of Volkswagen, the Federal Republic's largest motor manufacturer, has warned that if the industry's own attempts at self-help are not enough, then the "politicians might have to step in."

More intensive efforts to streamline the industry were most immediately necessary to try to improve German productivity, but he stressed that manufacturers could not be held responsible for the much higher social costs they had to carry. Japanese manufacturing costs were at least 20 per cent lower than German levels, he said in a recent interview.

## Self-interest

German manufacturers should no longer flatter themselves with the idea that their products had a pronounced edge in quality over the Japanese competition. But Herr Schmucker also warned ominously that the Japanese should restrain their exports to the U.S. and to Western Europe out of "self-interest." The Europeans and the Americans could get by without the Japanese car market, but the Japanese would be lost without their overseas sales.

Behind the figures and the rhetoric, however, German manufacturers have also been taken by surprise by the shift in car demand within the German market. Higher energy costs have made fuel economy a big factor in new car purchases and have had a major impact on sales of models of 2 litres capacity and above.

The manufacturers that have been most directly affected are Opel and Ford, which have both cut their workforces by around 6,000 in the last few months.

The resulting programme of early retirement and voluntary redundancy at Ford's plants in Cologne and Dören is likely to cost the company up to DM 135m, with production workers being offered a termination payment of DM 8,000-DM 12,000.

Opel has had problems on a similar scale with sales of models such as the Rekord, Commodore, Monza and the Senator and it warned recently that it could well drop into losses on its operations this year. It also suggests, however, that the market might have reached its deepest point and demand from dealers in July and August point to there being some light at the end of the tunnel.

Volkswagen, the largest car manufacturer in the Federal Republic, has also been hit by the fall in demand for larger models and has had to introduce short-time working at its Audi subsidiary, where sales of the Audi 100 model in particular have plummeted.

Volkswagen, however, like all the other major car manufacturers, is pressing ahead with its massive investment programme, which is expected to total about DM 10bn in the three years to the end of 1982 in West Germany alone.

Kevin Dine

# You'll get more out of a fleet of Talbot Solaras.



**More MPG.**  
The figures speak for themselves.

OFFICIAL DOE FUEL CONSUMPTION FIGURES	Steady 56mph		Steady 75mph		Urban Driving	
	MPG	L/100km	MPG	L/100km	MPG	L/100km
Solara 1.6 GL	43.5	6.5	31.7	8.9	29.7	9.5
Cortina 1.6 GL	39.8	7.1	29.7	9.5	27.4	10.3

Now work out the average mileage of your fleet, then work out the savings. You'll agree, they're quite impressive.

## More time on the road.

We're so confident of the reliability of the Solara 1.6 GL, that we offer the double cover of a 12 months' unlimited mileage warranty, plus our "Extra Care Policy" which offers free replacement of six major wear items.

Major servicing is only required at 10,000 miles or 12 month intervals and oil changes are only needed every 5,000 miles or at 6 month intervals.

And again the figures speak for themselves.

Calculated cost of routine maintenance over 48,000 miles: Solara 1.6 GL £193.12  
Cortina 1.6 GL £268.08

Which means you save 39% on running costs. (These figures are based on service schedules and times as published by manufacturers, and use a common labour rate.)

## More money when you sell.

Because of our well-planned maintenance, the Talbot Solara (indeed every Talbot car) should remain in top condition regardless of its mileage.

## More space and comfort.

One of the many advantages of Solara's front wheel drive is the extra roominess it creates inside the car, and the increased freedom of leg movement it allows. (Of course our front wheel drive also makes a hefty contribution to the Solara's fuel economy figures.)

To ensure a smooth ride we've also added independent suspension, and as a luxury touch there's cosy cloth seats.

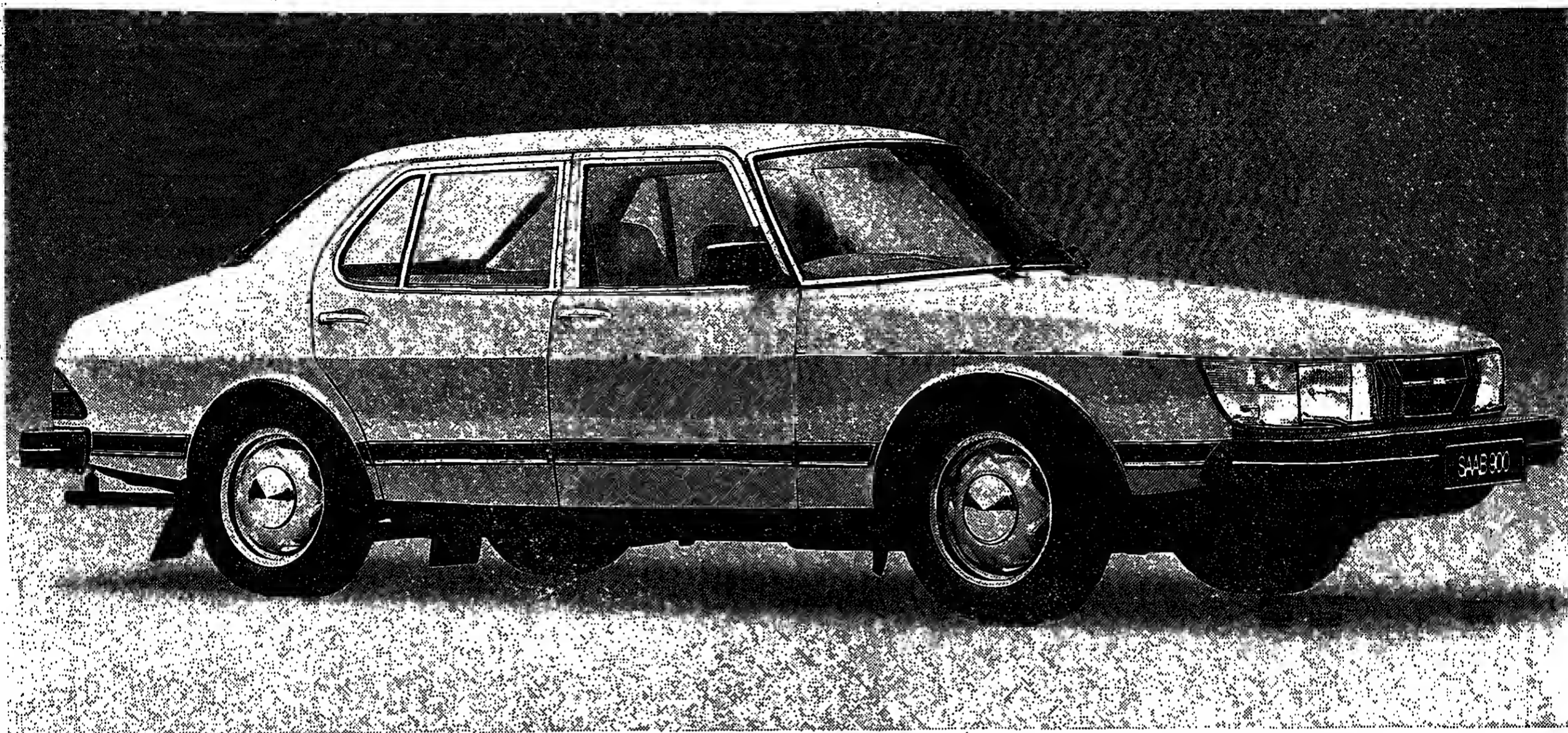
If you'd like to find out more about the fleet car that offers more, contact your local Talbot Dealer.

## TALBOT SOLARA

**ON THE MOVE.**

مكتبة النخيل

# IT LOOKS EXPENSIVE. BUT YOU KNOW WHAT LOOKS CAN BE.



Take a look at Saab's new saloon, the Saab 900 Sedan. Take a look at its elegant smooth lines. Pretty sleek, isn't it?

It must be pretty obvious, even at first glance, that our European competitors, and even our dear Swedish neighbours have got a real fight on their hands.

In the past, they may have had it all their own way, in what most people call the 'executive-car' class. But now with this new Sedan, we think they'll be completely outclassed.

It's not just the outer styling that looks luxurious. Inside smacks of luxury too, with new plush velour upholstery in some very swish colours.

Slip into the driving position and you'll find we've slipped in something that you only find in one or two of the world's most expensive cars.

A heated seat, to warm you up on a cold morning. (In our GLE and Turbo models the front passenger also enjoys this added luxury.)

As for the rear seats, we suggest you test them like you do a super settee. After all, they're made by one of Sweden's top furniture makers. So really sink into them, and enjoy the soft comfort of their cushions.

When you study their width and consider the amount of leg room the Sedan offers you, you'll soon realise how easy it is to send 3 back-seat drivers comfortably off into the land of nod.

One other thing which may surprise you about the back seat is that it folds down to give the boot a lot of extra feet. So you won't have to leg it

around searching for a roof rack, when you have a long load on your mind.

Of course, if you're really thinking of travelling fully loaded or towing a caravan, then it's doubly reassuring to know that, when you put your toe down, you've got 108 horse power and twin carburettors under your bonnet. Something which could get Volvo 244DL owners with their single carburettor really stamping their feet.

They may also kick themselves when they get their hands on the steering wheel, and find the Sedan has the expensive feature of power steering included in the price.

We're not talking about our GLE model that has a five speed gearbox and fuel injection. Nor are we talking about our Turbo model that has a top speed of over 120 m.p.h.

We're talking about the basic Sedan, the GLS. And as you've already gathered, the basic Sedan has far more expensive features than a lot of far more expensive saloon cars.

Which now brings us to the one thing that will really shock you. The price of the Sedan GLS is only £6,595 (including VAT and Car Tax).

Now do you believe the saying, that looks can be deceptive?

## SAAB

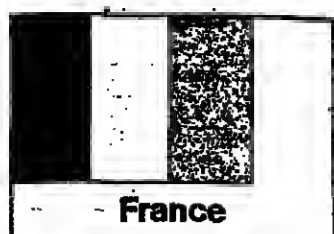
**THE NEW SAAB 900 SEDAN  
MORE THAN JUST ANOTHER SALOON**

THE SAAB 900 SEDAN RANGE: 900 GLS, 4 speed gearbox, power steering, heated driver's seat, twin carburettors - £5,595. Optional extras include: Sunroof, Automatic Gearbox, Metallic paint. 900 GLE, 5 speed gearbox, fuel injection, power steering, electric front windows, sunroof, stereo cassette/radio, electric aerial, heated driver and front passenger seat, Pirelli P8 tyres, rear seat head rests, solid or metallic paint - £9,043. Optional extra: Automatic Gearbox. 900 Turbo, specification as 900 GLE except for alloy wheels, TRX tyres, electrically adjustable door mirrors - £11,176. Optional extra: Automatic Gearbox. Prices, correct at time of going to press, include VAT and Car Tax. Delivery and number plates extra.

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## Shift to smaller cars increases foreign penetration



LAST YEAR'S sharp rise in world oil prices did not begin to make a notable impact on the French car market until last spring. But since then, as the French economy has followed the rest of the West into decline, the news from the showrooms has grown steadily worse. Car buyers are being squeezed out by high finance rates and reduced pay packets; and those that are still renewing their vehicle are showing a marked shift in taste towards smaller vehicles.

All of this was predictable enough. But the change in the sales pattern has also had some curious side-effects. Foreign cars have increased their penetration this year in a way which, while not yet alarming to the French producers, marks a distinct upward shift from the virtual stagnation of recent years. More important, the Peugeot group has come under enormous pressure, losing sales both to importers and to Renault, its state-owned rival.

## Under attack

The decline at Peugeot, with sales down by about 20 per cent on last year, contrasts sharply with its steady development in recent years and the dramatic successive takeovers of both Citroën and Chrysler Europe, now renamed Talbot. This expansionary phase put the Peugeot group well ahead of Renault in the French market and in a dominant position in Europe. During this year, however, Renault has overtaken the group in France, while Peugeot's position as leading European manufacturer has come under serious attack.

Peugeot has been forced to respond to this fall in its performance by virtually dismembering Talbot. During the next

four months all the 950 or so main dealers distributing Peugeot and Talbot cars in France are to be brought together to sell cars coming from each manufacturer. In due course the dealerships are expected to be welded together physically, through a series of takeovers, mergers and reallocation of territory.

The same process is to be undertaken in West Germany, Italy and Belgium, the main export markets, with an importing organisation coming directly under the authority of Peugeot. In the UK, where Talbot is much the stronger company because of its production facilities, the fusion will be under the direction of the Talbot management.

This sales reorganisation is to be accompanied by a total restructuring of Talbot which effectively destroys the company as an independent operating unit within the group. Its component production subsidiaries are to be brought directly under Peugeot, along with its overseas companies.

The rumour of the business remains simply as a car manufacturing unit in France. For the time being at least the Talbot marque name, on which a great deal of promotional money has been spent since the takeover, will remain. Peugeot says that the Talbot range slots neatly between its own models, and that each will support the other in the showrooms. But competitors are openly sceptical that the Talbot name will be kept indefinitely. It is widely expected that in the longer run Peugeot will gradually absorb what is left of the old Chrysler business.

Already the reorganisation means that Peugeot's strategy for Talbot, designed to create a European-style General Motors, with three marques running simultaneously alongside each other, has failed. Only two years ago, in the first flush of the takeover, Peugeot argued that Talbot would give the

group economies of scale in-stream in manufacturing components, but greater impact in the market place because of the three different styling choices being offered to customers. It has not worked like that, at least in today's difficult market conditions. "Renault can put all its efforts into one concentrated selling campaign; Peugeot has to split its budget three ways" is how one critic puts it.

Talbot's difficulties have been undoubtedly compounded by the sudden change in the market which followed the oil price rises of last year. The company was left without a really small car to face the shift in the market towards the bottom end of the range. Thus in the first eight months of this year, according to provisional figures, its sales dropped by 33 per cent in France, leaving it with only about 6.5 per cent of the market.

In Europe as a whole its sales were down by about 30 per cent, and output has so far been cut by 17 per cent, with more layoffs in prospect.

Given Peugeot's view that the market will not change essentially before the middle of next year, it was clear that action had to be taken. But the rest of the group has also been faring badly. Automobiles Peugeot has seen its own sales in France slide by 18 per cent this year, and Citroën by 16.5 per cent. By the end of August, the overall market share of the three marques which made up the group stood at about 38.5 per cent against Renault's 39.5 per cent. In Europe as a whole only Citroën has been able to maintain its position this year against the onslaught of overseas competition—and Citroën is to continue as it was, as an independent subsidiary of the group, competing directly with

the rest while sharing some component resources.

Where Peugeot has lost this year, Renault has gained, stepping up its French sales by almost 11 per cent in the first eight months. Renault's strength lies in its wide range of up-to-date models, particularly the R5, Europe's outstanding small car of the moment. In France, this model has outpaced all competitors, and overseas it is providing an effective spearhead for sales at a time of soaring petrol prices. At the same time the company has steadily innovated to face the crisis, with first diesels and now turbo engines, to say nothing of the Fuego, a smart fastback which is relatively economical and has captured about 3 per cent of the market.

While the rest of the French industry was cutting production and putting plants on short time during the early months of the

year, Renault was going in the opposite direction and increasing output. There are indications now that Renault also is being touched by the crisis and will have to moderate production. But in the first five months of the year its French output went up by 15 per cent to 685,000 units, a clear record for the group.

## Opportunity

The trend towards smaller vehicles has also given importers the opportunity to increase their sales in France for the first time in several years. Whether this change will be permanent remains to be seen, because the trend became really noticeable only in July and August, when imported marques, according to provisional figures, captured almost 30 per cent of the market, about 8 per cent more than a year ago. Overall imported sales are only up by about 2 per cent for the first

eight months, to 24 per cent, but this is still disquieting.

Importers have apparently been doing well because of their ranges of small cars (which explains the success of Volkswagen this year), or of keen pricing (a reason for Fiat's increased sales). At the same time, the Japanese manufacturers appear to be making a push in France this year, moving up towards the 3 per cent market share which the French authorities effectively set as a limit on their sales in France.

Like other international car companies, however, the French producers are facing equally strong pressure from the Japanese outside their home market. In particular, Peugeot has come up against increasing competition in Francophone North Africa—the most recent figures suggest that Japanese car exports to these areas have overtaken the French while even in Europe the French have

felt the growing impact of Japanese competition. M. Jean-Paul Parayre, chairman of Peugeot, said recently that the Japanese had "abandoned all prudence" in deciding on a ruthless export policy which had led to a 30 per cent increase in their car sales in European markets this year.

It is partly because of this mounting difficulty in selling in traditional export markets that the French manufacturers are now making a big attempt to establish a firm foothold in North America, which they see as a complementary free market to that of Europe. Both Renault and Peugeot have decided to make this push by way of linking up with U.S. producers which already have extensive dealer networks and the capability to manufacture European-designed products in their own plants.

Terry Dodsworth



## GM's new engine plant will aid trade balance

of subsequent negotiations, GM decided to enlarge the original plant. Under the final agreement, the plant will turn out 270,000 engines and 385,000 gearboxes exclusively for export. The Austrian side will provide Sch 2.6bn, or one-third of the total cost of Sch 7.8bn. It is now expected that the labour force will be 2,650.

Work started last May on the site, which was once a small airport serving the capital, and the plant should go on stream in July 1982.

## Scepticism

The U.S. concern pledged to increase its purchases from Austrian subcontractors for its Opel plant in Germany. The exports from the new Vienna plant will also contribute to the improvement of Austria's external trade balance. More important still, the GM plant will involve orders for at least 18 Austrian companies and a further group of 17 local companies are under consideration as subcontractors. Socialist Government spokesmen claim that, including the labour force at the plant itself, the GM project will in the final analysis provide jobs for almost 10,000 Austrian workers.

Nevertheless the critics of the project remain sceptical and

complain about the discrimination of the small and medium sized Austrian companies. Yet at the same time, Austrian provinces such as Styria and Carinthia would be happy to welcome a second GM plant. The board of the U.S. concern has in turn repeatedly emphasised that other countries bidding for the plant also offered a package of similar subsidies. What tipped the balance was in the words of Mr. A. Cunningham, the GM vice-president, "the excellent labour relations climate" and "the high degree of social, economic and political stability."

But the GM project must also be seen in the context of the Austrian motor industry and the deteriorating payments balance. Chancellor Dr. Bruno Kreisky has for a long time supported the efforts to launch an Austrian car industry based on a so-called "Austro-Porsche" plan to be realised in close co-operation with the Volkswagen Werke.

In the end, the plan of producing 50,000 relatively expensive limousines mainly for export has been dropped on account of financial considerations and apparently insurmountable service and dealers' problems abroad. Apart from an assembly

venture with Fiat, the Austrian motor industry since World War Two has primarily been a supplier of components for the large European car producers. At the same time the rising demand for imported cars has put a growing pressure on the external payments balance. Under the assumption of annual imports of 200,000 cars, the cost would be Sch 14bn this year. Even in the lorry sector the Austrian producers have only a 10 per cent share of the market.

The major exporters of cars to Austria are West Germany (about 50 per cent of the market), followed by France, Japan and East Germany. In the course of the last few years, Britain has become a marginal factor with a mere 1.5 per cent.

It was against this background of an irreversible drain on Austrian reserves that Chancellor Kreisky personally had tried to make the idea of an Austrian-made car popular. Though the project did not come off, the side effects of the talks with German and Japanese producers are already felt in the balance of payments.

The major car exporters have realised that they should increase their purchases from the local motor industry. If they

want to remain on good terms with Government and business.

Thus last year exports under the heading of motors and components jumped by 33 per cent to Sch 1.4bn. The Minister of Trade has recently estimated that the value of Austrian deliveries of components for foreign car manufacturers would reach some Sch 4.5bn this year.

## Rapid rise

In the meantime, however, exports of the motor industry have risen rapidly in terms of their stake in domestic production and reached almost one-third of the output as against a mere 17 per cent in the early 1980s.

These successes have been closely linked with the international ventures of Steyr-Daimler-Puch, Austria's largest non-nationalised company which dominates the domestic motor industry. With a turnover of Sch 13bn (up 17 per cent) and a production staff of 18,500 last year, Steyr-Daimler-Puch, controlled by the Creditanstalt Bankverein, is one of Austria's three largest industrial companies.

Two major ventures of Steyr have largely contributed to the new feeling of optimism in the local motor industry. If they

The first is the development and joint production of a four-wheel drive cross-country vehicle by Steyr and Daimler-Benz of West Germany.

The operating company is controlled in equal parts by Steyr and Mercedes. With 98 per cent of the output exported, the net benefit to the Austrian balance of payments will be considerable.

Another important Steyr-Daimler project is the joint production of diesel motors with BMW, the German motor company in the Austrian city of Steyr. At an investment cost of Sch 3bn, the plant should be in operation in 1982 with an annual capacity of 100,000 diesel motors. About 85 per cent of the output will be sold abroad and production staff should be 1,500.

In the lorries sector, Steyr is involved in joint projects in Greece, including the sale of 7,000 military vehicles produced by Steyr-Hellas, the joint subsidiary with the Austrian share this year reduced from 66 per cent to 33 per cent. Steyr-Nigeria in Bauchi, a joint venture with 30 per cent in Austrian hands, will turn out 8,000 lorries and 2,000 tractors per annum.

Paul Lendvai

WEST EUROPEAN CAR PRODUCTION ('000s)				
	1979	*1980	*1981	*1985
W. Germany	2,933	2,600	3,500	4,000
France	3,222	2,900	2,800	3,350
Italy	1,481	1,350	1,300	1,550
United Kingdom	1,070	950	1,000	1,000
Spain	966	950	980	1,150
Sweden	297	260	260	280
Belgium	257	240	230	270
Netherlands	90	85	80	160
Total	11,316	10,355	10,150	11,900

\* Sources: Economist Intelligence Unit.

Welcome to a brand new 6-cylinder 2.5 litre. The Commodore. From Opel. From Germany.

A very welcome arrival it is too.

Powerful, certainly.

Reliable, definitely.

Stylish, indisputably.

And with a standard of comfort to relax any executive before a hard day's work. And after.

All in all, the Commodore offers German engineering at its affordable best. Take a test drive now. You'll be a better person for it. For the name and address of your nearest dealer, ring Teledata on 01-200 0200. The new Commodore. From Opel. From Germany.



New Opel Commodore. Pleasure before business. And after.



New Opel Commodore





# The best seats at the show.



You'll see what we mean when you sit in a Vauxhall. Our range now extends to 51 manual and automatic models: 16 Chevettes, 3 Astras, 16 Cavaliers, 6 Sports Hatches, 4 Carltons, 4 Royales and the new 2.5 litre Viceroy. See them at the Motor Show. Or call at your nearest Vauxhall dealer.

**VAUXHALL**  







## WORLD STOCK MARKETS

**NEW YORK**

[illegible]

## 1960

[illegible]

**1985**

High	Low	Scores
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[illegible]

**HOLLAND**

[illegible]

## SOUTH AFRICA

High	1980 Low	Oct. 9	Price Range
3.86	9.66	Abcorro	3.70
29.1	5.45	ACE & Gl...	9.5
146	12.50	Anglo Am. Op...	145
12.75	6.05	Barrow Rand...	11.5
70	30.00	Buifols	6.10
1.50	3.40	CNA Invests...	2.80
2.89	1.30	Corpor Finan...	13.90
15.95	5.85	De Beers	3.60
49	21.50	East Ore.	41.5
100	68.00	PS Gedul...	72.5
118.5	11.00	Gold	11.4
5.00	3.55	Highveld Steel	4.70
9.00	5.50	Hullesta	5.30
51	25.00	Kloof	5.5
60.0	5.00	Merco Finan...	5.5
20.0	12.50	OK Savan...	10.85
3.85	2.58	Portage Hidge	3.40
1.10	1.00	Reynolds	1.0
6.95	9.95	Reynolds	2.0

## Indices

NEW YORK

Indices

DOW JONES

						1980		Since Cmpl'd '79		
Oct. 10	Oct. 8	Oct. 7	Oct. 6	Oct. 5		High	Low	High	Low	
◆Industrial	950.58	968.98	965.98	960.87	965.70	950.08	961.57	759.16	1051.70	41.22
M & M's	67.58	67.85	66.48	66.32	67.20	65.64	122.01	24.81	117.71	(2.78)
Transport	359.20	349.20	348.12	348.06	348.00	346.42	75.78	(28.8)		
Utilities	115.11	118.46	118.05	118.10	118.84	119.21	150.28	25.88	155.32	10.52
Trading Vol 000's	44,440	44,368	44,560	50,318	55,166	47.18	16.7	27.91	130.45	(23.44)
◆Day's high 965.70 low 946.25										
						Oct 3	Sept. 26	Sept. 12	Year ago (approx)	
Ind. div. yield %						5.66	5.73	5.68	6.94	

STANDARD AND POORS

						1980		Since Cmpl'd '79		
Oct. 10	Oct. 9	Oct. 8	Oct. 7	Oct. 6	Oct. 5	High	Low	High	Low	
◆Industrial	148.28	149.51	150.00	146.16	169.18	147.32	156.15	111.89	150.16	8.53
Composite	180.23	181.34	181.65	181.00	181.16	182.35	181.75	182.22	181.75	4.46
Ind. div. yield %						16.16	(15.2)	16.10	(15.82)	
						Oct. 1	Sept. 24	Sept. 17	Year ago (approx)	
Ind. div. yield %						4.58	4.50	4.54	4.49	
Ind. P/E Ratio						2.82	6.05	8.91	9.15	
Long Gov. Bond Yield						11.79	11.62	11.46	9.30	
N.Y.S.E. ALL COMMON						Rises and Falls				
1950										
Oct. 10	Oct. 8	Oct. 7	High		Low	Issues Traded	1,894	1,695	1,315	
Oct. 9	Oct. 6	Oct. 5	High		Low	Issues Traded	989	174	876	
						Issues Traded	904	961	377	
						Issues Traded	401	561	372	
						Issues Traded	107	107	135	
						Issues Traded			5	

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904

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107

1,695

174

961

561

107

1,315

876

377

135

5

MONTREAL

					1980	
Oct. 10	Oct. 8	Oct. 7	High		Low	
Industrial Combined	388.86	388.51	388.15	381.86	423.80 (72/8)	
	395.58	395.11	394.04	386.69	379.39 (29/8)	
TORONTO Composite	2385.02	2392.11	2394.00	2388.5	2447.4 (24/8)	
					2386.1 (23/8)	

	Oct. 10	Oct. 8	Oct. 8	Sept. 9	High 1960	Low
AUSTRALIA Austral All Ord. (1958/59)	876.72	900.35	848.00	933.14	397.55 (3/15)	780.00 (2/1)
2nd Mt. Murrumbidgee (1958/59)	856.55	853.94	855.65	859.95	1098.35 (14/2)	451.25 (28/4)
AUSTRIA 2nd Aktien 12/1/62	81.10	67.42	67.28	61.21	98.48 (7/11)	65.59 (18/6)
BELGIUM Belgian SE (5/11/55)	56.81	86.90	80.50	80.68	105.76 (11/2)	90.67 (6/10)
DENMARK Copenhagen SE 11/1/75	85.65	85.85	85.95	92.35	85.85 (8/10)	14.78 (6/5)
FRANCE CF-Accident (28/1/52)	116.2	112.7	112.7	115.5	74.2 (22/5)	97.1 (3/1)
CF-Tendances (28/1/79)	116.2	116.4	116.8	117.4	119.4 (5/10)	85.9 (9/1)
GERMANY VZ-Accident (8/1/1958)	209.75	236.80	234.97	231.43	335.86 (25/2)	212.75 (22/5)
WZ-Accident (Dec. 1955)	733.95	730.82	767.9	745.2	745.2 (3/2)	697.78 (10/6)
ITALY CP-BS Canonici (15/7/5)	84.5	84.5	84.5	84.8	84.5 (25/7)	74.5 (27/8)
CP-BS Indust. (1970)	82.9	82.2	81.5	81.5	80.2 (11/1)	80.2 (10/5)
HONG KONG Hong Sang Bank (31/7/64)	1567.16	1045.46	1619.48	1618.47	1567.16 (15/10)	738.5 (19/8)
ITALY Lomb. Com. Lomb. Int. (1972)	146.95	144.46	141.70	145.34	148.57 (12/19)	83.11 (2/1)
JAPAN Nippon Life Insurance (1956/58)	(a)	711.40	711.55	714.91	735.55 (8/10)	6475.35 (27/5)
2nd Tokyo New SE (4/1/58)	(c)	482.47	481.18	482.75	618.75 (8/10)	440.21 (1/1)
NORWAY 2nd SE (11/1/75)	124.61	125.28	129.37	129.71	144.70 (14/2)	110.12 (28/1)
NETHERLANDS Nippon Times (1969)	808.85	556.21	558.45	609.37	947.49 (25/8)	425.75 (4/1)
SOUTH AFRICA 2nd (1958)	(c1)	811.3	852.8	872.8	1025.1 (22/5)	648.5 (2/7)
2nd (1958)	(c2)	815.4	812.4	815.5	827.1 (8/5)	460.6 (2/1)
SPAIN 2nd SE (24/12/78)	110.20	110.50	110.45	110.50	111.17 (1/19)	95.78 (13/6)
SWEDEN Göteborg & P. (1/1/68)	855.58	835.57	854.55	854.64	818.98 (8/2)	564.76 (17/1)
SWITZERLAND						

## AUSTRIA

[illegible]

7.10	4.65 CRA .....
7.80	4.52 CSR .....
8.10	1.65 Cotton .....

[illegible]

NEW YORK ACTIVE STOCKS										
Friday	Change		Stocks	Change		Stocks	Change		Stocks	
	traded	on day		traded	on day		traded	on day		
Hiram Walker	1,822,500	28 $\frac{1}{2}$ +	Natamex	423,600	39 +	Best values of all indices are 100 except NYSE All Common—57; Standard and Poort—10; and Toronto—1,000; the last named based on 1975, excluding bonds, 4,400 Industrials, 4,400 Industrials plus 40 Utilities, 40 Financials and 20 Transports; a Closed, u Unavailable.	1,822,500	28 $\frac{1}{2}$ +	1,822,500	28 $\frac{1}{2}$ +
IBM	1,832,000	28 $\frac{1}{2}$ +	Gulf Oil	418,000	45 $\frac{1}{2}$ +		1,832,000	28 $\frac{1}{2}$ +	1,832,000	28 $\frac{1}{2}$ +
Wisc. Elec. Pwr.	785,400	28 $\frac{1}{2}$ +	Bank Am	404,300	25 $\frac{1}{2}$ +		785,400	28 $\frac{1}{2}$ +	785,400	28 $\frac{1}{2}$ +
Occidental Pet.	715,100	21 $\frac{1}{2}$ -	United Telecom.	377,300	17 -		715,100	21 $\frac{1}{2}$ -	715,100	21 $\frac{1}{2}$ -
Occidental Pet.	715,100	21 $\frac{1}{2}$ -					715,100	21 $\frac{1}{2}$ -	715,100	21 $\frac{1}{2}$ -





WMZ 105.3







**FINANCE, LAND—Continued****MINES--Continued**

Midmonth		Stock	Price	Last	Bir	Over
				st	Net	
		Acemes 50c	28			
		ACM 20c	22			
		Band Corp.	135		07c	
Nov.	Apr.	Benjamin 1 1/2 Km.	130	73		1.0
		Boon 20c	208	172	015c	2.1
		Casaca Northwest	97a			
		Carv Bond 20c	378a			
		Cash Pacific	28			
		Cullen Pacific N.L.	28			
		Eagle Corp. 10c	50			
		Edinburgh 20c	548	579	013c	
June		M. C. Kalgoorlie 25c	350			
		Great Eastern	22			
Sept.	Feb.	Hammond 100	21.5	11	02.25	2.0
		Hazama Gold N.L.	165			
		Intl. Mining	160			
		L.M. Mining Corp.	140			
		Metals Energy	36		63c	
		Metals Ex. 50c	260			
		Metals Ex. 20c	260	152	0204c	
	Apr.	M.L.N. Hides 50c	200			
		Mineshells Ltd. 25c	170		015c	
		Mineshells 20c	170			
		Northwest 20c	185			
		North B. Hill 50c	195	15.11	010h	
		Nim. Kalbar.	108			
		Nim. Mining Corp.	112			
May	Nov.	N.W. Mining N.L.	152	7.4	012c	4.7
		Odinburg SA 1	186			
		Pacific Corp.	202			
		Pancon 1 25c	370			
		Pancon M.L. 50	370	12.3	007.5c	
Apr.	Oct.	Peter-Walstead 50c	150			
		Schroff 20c	135			
		Seaward Pacific	57a			
		Swan Resources 20c	275			
		West Coast 20c	253			
		Wessex Mining 50c	275	25.9	014c	
		Westwires	18			
		Wharf Creek 20c	95			
		York Resources 35	15			

[illegible]

## NOTES

less otherwise indicated, prices and net dividends are in pence and the denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are based on half-yearly figures. P/E's are calculated on the "book" basis, earnings per share being computed on profit after taxation less, earnings per share being computed on profit after taxation and unlevered ACF where applicable; bracketed figures represent 3D per cent of share difference 1D calculated on "book" basis. Figures 1D are based on "book" basis. Distribution, the "gross" distribution, is based on the gross distribution less the gross distribution costs to profit after taxation, excluding exceptional profits/losses but including estimated debt of off-balance sheet items. Yields are based on midsize prices, are gross, adjusted to ACF, and are based on value of securities distribution and rights.

**"Tap Stock.**

Highs and Lows marked thus have been adjusted to allow for right issues for cash.

Interim since increased or resumed,  
Interim since reduced, posted or deferred.  
Tax-free to non-residents on application.  
Figures or report omitted.  
Unified security.  
Price at time of suspension.  
Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.  
Meyers bid or reorganization in progress.  
Not comparable.  
Same interim; reduced final and/or reduced earnings indicated.  
Forecast dividend; cover on earnings updated by latest interim statement.

Cover allows for conversion of shares not  
or ridding only for restricted dividend

Dividend cover: Does not allow for interest which may also be paid for dividend  
 coverage. Dividend cover ratio may be skewed.  
 Excluding a full dividend declaration.  
 Regional price.  
 No year.  
 Yield based on assumption Treasury Bill Rate stays unchanged over  
 period. A T-bill free. Figures based on prospectus or other  
 source. Dividend yield: Dividend rate divided by current  
 price; cover based on dividend on full capital. e. Redemption yield  
 is yield. f. Assumed dividend and yield. h. Assumed dividend  
 after strip issue. i. Payment from capital sources. k. Paying  
 interest higher than previous total. l. Rights issue possibly  
 diluting dividend. m. Dividend or payable on new issue.  
 Special payment. l. Indicated dividend: cover relates to previous  
 dividend. P/E ratio based on latest annual earnings. n. Forecast  
 dividend: cover based on previous year's earnings. v. Free up  
 in the Z. e. Yield allows for currency change. y. Dividend and yield  
 on merger terms. z. Dividend and yield include a special payment  
 on merger. a. Dividend and yield. b. Dividend and yield.  
 Reference dividend passed or deferred. Canadian. Exemption from

e. FDividend and yield based on preliminary estimates for 1981-82. f. Assumed dividend

and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1960-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross figures assumed. Z Dividend total to date.

xR ex capital distribution.

## REGIONAL MARKETS

(RISH)

[illegible]

Ball (Wm.)	141	Unclaire	80
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## OPTIONS

### 3-month Call Rates

7	L.C.I.	27	Unit. Drapery	60
6	"Inns"	62	Vickers	12
41-2	L.C.I.	34	Woolworths	30
9	Intersec	9		
9	Lackrose	15	Property	

Days Bank	54	Legal & Gen.	15	Brit. Land	7
Cham.	10	Lex Service	8	Cap. Counties	9
Circle	25	Lloyd's Bank	24		

is	16	"Lo's"	17	Long Sec.	26
aters	15	London Brick	6	MEPC	17
T.	20	Lucas Inds.	17	Peachey	13
				Samuel Pong	12

on 'A'	20	Mark. & Spntr	8	Town & City	2
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United	8	N.E.I.	5	Oils	
Continental	8	Nat. West. Bank	27	Brit. Petroleum	32
Hess	17	P & O Oil	10	Burmah Oil	20

Op	75	Plessey	14	Charterhall	20
The Star	75	Rural Elect	22	KCA	11
				Prison	18

Accident.....	21	Rank Org. ....	15	Shell.....	36
Electric.....	30	Reed Intnl. ....	16	Tricentrol.....	40
.....	18	Seas.....	5	Ultramar.....	95

Id Met	12	Tesco	6	Miles
S. 'A'	34	Thorn	23	

23	Trust Houses	12	Charter Cons.	14
20	Tube Invest.	23	Cons. Gold	40
15	Unlever	40	Lamha	8
75	U.D.T.	52	Oil T. Fin.	32

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function is available to super computers built in as little

changes throughout the United Kingdom for a fee of £50 per annum for each security.

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